

GOVERNOR JENNIFER M. GRANHOLM

Friday, October 14, 2005

Hello this is Governor Jennifer Granholm.

Securing the future for Michigan citizens starts with their financial security – from the availability of good paying jobs to pocketbook issues, like making sure families can afford gasoline and other essentials.

If this past week's events – Delphi's declaring bankruptcy – if that demonstrates anything, it's the need to bring relief every way we can to the working and middle class in Michigan.

One of the essentials that people must pay for is car and homeowners insurance – and today in Michigan the costs for both are simply too high. And that's why I recently announced a package of bills to provide every Michigan citizen with fair and affordable insurance rates.

Right now, our rates in Michigan are the highest in the Midwest and the 10th highest in the nation. Michigan's consumers pay on average 32 percent more than folks in Illinois or Indiana, Wisconsin or Ohio.

In the last 5 years, for instance, base insurance rates for automobiles have gone up as much as 90 percent – and homeowners' rates have risen even more, up to 152 percent.

That is simply unacceptable.

To deal with those double and triple digit increases, I have announced a comprehensive package that will reduce rates, increase consumer protection and strengthen accountability for the insurance industry.

There are some 20 provisions in this package, but they're all designed to do one thing: drive down the cost of insurance for Michigan consumers.

To start, we are proposing a 20 percent rollback in insurance rates for every customer in Michigan.

We are giving the Insurance Commissioner stronger tools to go after excessive rates and to demand refunds when she finds them.

Also included in our package is a new Office of Insurance Ratepayer Advocate – that's just a fancy name for a person whose sole job will be making sure that customers are treated fairly by the law, by insurance companies and by their government.

In addition, we are asking for new legal protections for consumers. If you're insurance company doesn't deal with you in good faith, you deserve the right to hold them accountable. And with the legislation I announced, with my colleagues in the House and Senate, you will get that right.

Today, Michigan families are being squeezed like never before – by so-called free trade policies that ship our jobs overseas; by unfair business practices that rake in profits at the expense of consumers.

And that's why my administration is continuing to fight for Michigan families, through our economic plan that will create jobs – and also through efforts like this insurance reform package, which will protect their pocketbook.

Thank you for listening.